

The initial design of the Performance Track program has proven to be successful during the first three years of program implementation. However, experience has shown that some aspects of the design could be improved to better meet program goals such as broadening and deepening program membership, enhancing the program's value as a standard of achievement, and promoting innovative performance-based approaches to protecting the environment. The following section describes these Performance Track program improvements. The program changes will become effective starting with those facilities applying to the program during the application period beginning February 1, 2004.

Defining Small Facilities

Currently, Performance Track considers a facility to be a small facility if the company as a whole is a small business as defined by the Small Business Administration (FR 30386, Vol. 65, No. 94, May 15, 2000), and if the facility itself employs fewer than fifty full-time employees. The Performance Track program criteria allow small facilities to participate in the program by demonstrating past achievements in one environmental aspect rather than the two required by other facilities, and with two future performance commitments rather than the four required by other facilities.

However, the first three years of the program have shown that facilities with fewer than fifty full-time employees can find it difficult to identify and commit to four future performance commitments given the smaller scale of their operations relative to larger facilities.

To promote participation by small facilities, EPA is changing the small facility designation used by Performance Track to include any facility with fewer than fifty full-time employees, even if that facility is part of a company that does not meet the Small Business Administration's criteria for a small business. This will allow any member facility with fewer than fifty full-time employees to participate in Performance Track by demonstrating past achievement in one environmental aspect, and with two future performance commitments.

Independent Assessment of the EMS

EPA is adding a requirement that applicants to Performance Track undergo an independent assessment of the facility's Environmental Management System (EMS) conducted within three years prior to the date of application.

EPA has seen a significantly larger number of EMS issues with Performance Track member facilities that have not had any kind of independent assessment. The provision for an independent assessment will provide a higher degree of confidence in the quality of the EMS without imposing much additional work or expense on potential applicants.

The independent assessment will not require formal third-party certification. Facilities applying to Performance Track can select from a number of options for an independent party assessment of their EMS, including a pre-acceptance site visit conducted by EPA, assessment by a qualified auditor, or a

corporate audit, among others.

More details on the independent assessment criteria review the Supporting Document entitled “Independent Assessment of EMS - October 2003” on the Performance Track Program News Page at www.epa.gov/performancetrack/events/news.htm.

Challenge Commitment Policy

Environmental priorities may vary by region. For example, water efficiency may be especially important in one region, while urban air quality may be a priority in another. EPA believes that Performance Track facilities have the potential to help address local and regional environmental priorities.

EPA will continue to strongly encourage facilities applying to Performance Track to align their commitments with their significant aspects and related objectives and targets as identified in their EMSs. The Agency continues to believe that facilities should focus first on those environmental aspects that are most prominent in their individual activities.

In order to challenge Performance Track member facilities to respond to regional environmental priorities while also addressing their own significant aspects, EPA is allowing renewing Performance Track members to receive double credit for addressing a regional environmental priority in their performance commitments. EPA regions will have the option to designate “Challenge Commitments” that correspond to regional environmental priorities.

A renewing Performance Track member facility making a Challenge Commitment may count that single commitment as two future performance commitments. Thus, such a facility would only have to make three future commitments, rather than the normal four, so long as one of the commitments addresses the regional priority.

Challenge commitments will be chosen by the EPA regional offices in consultation with state and local governments. Regional offices may choose not to establish a challenge commitment.

More information about challenge commitments review the Supporting Document entitled “Challenge Commitment Policy - October 2003” on the Performance Track Program News Page at www.epa.gov/performancetrack/events/news.htm.

Corporate Membership

EPA will enhance the current Performance Track program by adding a corporate membership component for companies that participate substantially in the facility program and whose performance, practices, and policies at a corporate level meet criteria associated with environmental excellence.

EPA’s establishment of a corporate level of Performance Track will allow the Performance Track program to more effectively engage corporate leaders and promote the goals of the program, while giving EPA the opportunity to encourage and recognize corporate leadership. Additionally, the corporate membership level of Performance Track will allow EPA to explore innovative approaches to

achieve the types of environmental benefits that stem from decisions made at a corporate level, such as supply chain management and product stewardship.

The criteria for corporate members are expected to include participation of their facilities in Performance Track or similar state programs, with a commitment to increase this participation over time. This link between the corporate and facility programs will encourage a stronger corporate level commitment to Performance Track and performance excellence. Other criteria would parallel those Performance Track currently applies to facilities, with a greater emphasis on companies working with their suppliers and customers to achieve environmental improvements.

EPA expects to be soliciting applications for this program beginning in mid-2004.

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